

# Fit for the Future: Getting People, Digitization, Globalization and Consolidation Right



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The world of business and professional services spans an extensive array of sectors, from IT and consulting to legal and tax. Despite its breadth, companies share many common characteristics and face some similar challenges and opportunities. Working with a bank that understands the common objectives of service sector companies can help you to achieve your goals.

## 1. People – prioritizing your key asset

Recruitment and retention are key issues for business and professional services companies with labor markets in many countries still tight. Ensuring that employees are happy in their job is critical to future success.

One key component of work satisfaction is competitive remuneration. Inflation has increased to levels which have not been seen in recent times for most countries; keeping pace is putting pressure on many companies' costs.

At the same time, business and professional services firms need to develop strategies to recruit new talent. Millennials and Gen Z have different attitudes towards work compared to previous generations. For instance, many younger workers consider work/life balance to be more important than financial reward.

## 2. Digitization – accelerating change

Business and professional services companies are increasingly turning to digitization to improve their efficiency and agility.

One example of a subsector that has undergone a digital transformation is staffing. In the past, staffing companies and employment agencies were a largely face-to-face and offline business, focused on job fairs, recruiters and offline advertising (print, radio and television). Now, technology plays an important part in operations via the development of online portals and marketplaces coupled with the deployment of software and social media, firms are able to enhance their reach to more candidates and employers.

As a result, staffing firms have become vastly more efficient, with lower costs and much faster results for clients. Many other business and professional services have followed a similar tech-enabled transformation – particularly in Real Estate Services, BPOs, and Travel Services.

## 3. Globalization – creating opportunities and challenges

Although the extent of overseas expansion varies significantly by sector within the business and professional services market, there is a growing trend of firms looking for opportunities internationally.

Expanding into new markets offers the possibility of deploying successful business models into untapped geographies and the potential to lower costs through greater scale.

However, to achieve their objectives, business and professional services firms need to differentiate themselves from competitors and prioritize investment in the components of their business model which separate them from the pack. Establishing a foreign subsidiary requires investment and can be quite time-consuming, which can deter companies from building global teams. At the same time, they may also need to adapt their operating models to account for cultural challenges and compliance risks when expanding overseas.

## 4. Consolidation – attractive to private equity

One key theme in recent years has been accelerating consolidation of the business and professional services sector. Private Equity firms (attracted by the asset light nature of many service businesses) have acquired many companies and acted as a catalyst for broader change in the sector. By bringing in outside investors, services firms can gain an advantage over competitors as they have more financial capabilities for growth.

## 5. How we can help

Many of the challenges and opportunities associated with people, digitization, globalization and consolidation are a core part of most business and professional services firms' operational strategies. Working with the right bank can help companies to achieve their goals.

At Citi, we offer a comprehensive range of treasury and financing solutions tailored to meet the ever-changing demands of our business and professional services clients. We recognize that businesses in the services sector operate in diverse industries and evolving markets. Understanding this, our dedicated relationship teams collaborate closely with you to grasp your strategic growth objectives across people, digitization, globalization, consolidation and address your unique banking and financing needs.

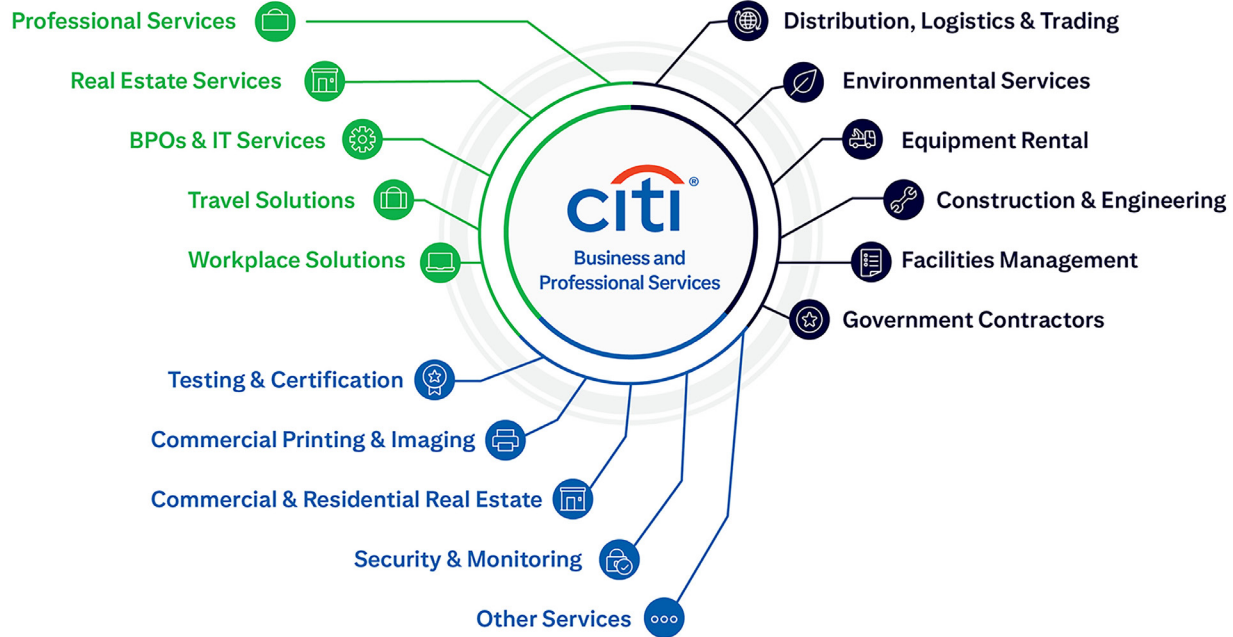
For instance, companies looking to free up capital for investment in talent should first ensure that they are as efficient as possible. One way to do this is by fine tuning payment terms and centralizing treasury operations, including cash, risk and investment management. Combined, this can improve efficiency, lower costs, and free up cash that can go towards your people.

Some banks can help more directly with employee recruitment and retention challenges. In select markets, Citi Commercial Bank partners with the Wealth at Work Organization within Citi Global Wealth, which meets the wealth management needs of mid-level and senior professionals in the business and professional services sectors. As well as providing personal banking services, investment strategies, mortgages and other tailored solutions, such as buy-in loans to facilitate partnerships (which are common across many sectors), Wealth at Work ensures that the company's needs are also met, by taking a holistic view across cash management and other treasury services.

When it comes to digitization, many companies are looking for transformative opportunities across both their core business and treasury functions, with the goal of driving efficiency and augmenting decision making.

Citi has decades of experience in helping business and professional services firms to streamline their processes and improve visibility and control. We have dedicated teams who are focused on serving the needs of business and professional service firms and can help companies integrate their ERP and treasury management systems with our system through host-to-host connectivity to deliver greater automation, efficiency and security.

## Working With the Right Bank



With an on-the-ground presence in nearly 100 countries, Citi is well placed to facilitate the globalization of business and professional services firms. We provide valuable insights about best practices and local conditions as well as a full range of banking solutions.

Despite a more volatile backdrop for private equity, interest is likely to remain strong. Companies should consider whether they intend to act as a consolidator of the sector – possibly bringing in an outside investor – or under what circumstances they would be a willing target. Citi has deep insights into the dynamics of the business and professional services sector and can advise companies on M&A and other opportunities, as well as providing guidance on valuation.

Whether you require funds for recruitment and retention, are seeking inspiration for your digital transformation strategy, or are planning a global expansion or potential M&A, our team of banking specialists is ready to help support you throughout your journey and help you achieve your ambitions.

**For more information about how Citi Commercial Bank's Business and Professional Services Team can assist you and your team, please [Contact Us](#).**

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